comply with the Directions of RB to RNBCs, RBI has prohibited them from accepting deposits. RBI has also issues similar orders on those RNBCs which had failed to comply with the important provisions of the Direc-rions.

Working of Private Banks

967. SHRI SURESH KALMADI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that private sector banks in the country are facing problems due to lack of transparency and professionalism, small capital size, had supervisory system etc. ; and

(b) if so, whether Government propose to issue fresh norms for the working of private banks ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) : (a) Reserve Bank of India (RBI) has reported that functioning of most of the private sector banks is satisfactory. However, some banks have some operational/supervisory problems. RBI has further reported that the financial position of most of the banks in the private sector is good/ satisfactory.

(b) RBI has reported that the guidelines issued by it from time to time and close monitoring of the banks are considered adequate and issuance of fresh norms for the working of the private sector banks is not considered necessary for the present.

Mounting up of inflation

968. SHRI RAM JETHMALANI :
SHRI GURUDAS DAS GUPTA :
SHRI CHATURANAN MISHRA :
SHRI CHIMANBHAI MEHTA :
SHRIMATI MIRA DAS:

Will the Minister of FINANCE be pleased to state :

(a) what are the reasons for mounting up of inflation;

(b) whether it is a fact that fiscal indiscipline is the main reason for current inflation spiral;

(c) whether it is a fact that the rate of inflation in 1981-90 was approximately 7% per annum;

(d) if so, why the rate of inflation rate is more than 50% higher as compared to last decade;

(d) whether Government would bring down the inflation rate as promised by the Government officials immediately after the announcement of the current budget;

(f) if so, the details thereof; and

(g) if not, the reasons therefore ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) : (a) and (b) The shortfall in the domestic production of sugar, groundnut, and cotton last year, large increases in minimum support prices cotinuing for the last three years and the consequent rise in the issue price for PDS generated some uptrend early this year. However, of late the effect of relatively larger monetary